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COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

PACIFIC GAS AND ELECTRIC COMPANY,

Defendant.

Case No. 3:14-CR-00175-WHA

**RESPONSE TO REQUEST FOR
INFORMATION**

Judge: Hon. William Alsup

I. Introduction

On January 26, 2017, Pacific Gas and Electric Company (“PG&E”) was sentenced to a probation term of five years on each count of conviction (1, 2, 5, 6, and 8) to run concurrently. PG&E was ordered to pay a special assessment of \$2,400.00 and a fine of \$3,000,000 within sixty days of the date of Judgment. Sentencing Hearing 1, ECF No. 919. PG&E paid these amounts on February 1, 2017. PG&E is required to comply with seven standard conditions of probation, and nine special conditions of

1 probation. Judgment 2-3, ECF No. 922. The Court also ordered the appointment of a third-party
 2 Monitor for a maximum period of five years. Monitor Order 5, ECF No. 916.

3 In a filing on July 31, 2017, and an appearance on August 15, 2017, PG&E updated the Court on
 4 its progress in fulfilling the conditions of probation imposed at sentencing. Since that time, and as briefly
 5 discussed at the hearing on September 12, 2017, PG&E has completed additional community service
 6 projects and continued to engage with both United States Probation Officer Jennifer Hutchings and the
 7 third-party Monitor, Judge Mark Filip. PG&E's progress in completing its community service obligation
 8 and PG&E's engagement with the Monitor is discussed in greater detail below.

9 **II. Update on Special Condition of Probation 7: Community Service**

10 As a special condition of probation the Court ordered:

11 PG&E shall perform 10,000 hours of community service. At least 2,000 of these hours
 12 shall be performed by high level personnel as defined in the commentary of §8A1.2 of the
 13 Sentencing Guidelines. PG&E shall provide the prospective community service workers'
 14 names and titles to the probation officer to ensure compliance with this condition. The
 15 location and type of community service must be pre-approved by the probation officer.
 16 The Court strongly recommends this community service be in the City of San Bruno to
 17 every extent possible. The intent of this condition is to require 10,000 hours of
 18 community service that PG&E would not otherwise have done and the probation officer
 19 shall therefore consider it part of the approval process, the extent of which the proposed
 20 projects can be tied to existing service initiatives by PG&E. The community service shall
 21 be geared toward giving back to communities affected by the negligence with special
 22 emphasis on the City of San Bruno, as directed by the probation officer[.]

23 Sentencing Hearing 2, ECF No. 919. After the sentencing on January 26, 2017, PG&E worked
 24 throughout the Spring and early Summer to develop a community service plan that was tailored to the
 25 needs of the San Bruno community, in accordance with the Court's order. PG&E engaged in a
 26 collaborative planning process that included a series of meetings with the Probation Office, City and
 27 school leadership officials in San Bruno, as well as community leaders and officials in San Mateo. For
 28 example, during this planning phase, PG&E met with San Bruno's Mayor, City Manager, Director of
 Community Services, and School Superintendent, as well as local community non-profits and several
 area Chambers of Commerce. None of these planning meetings counted towards PG&E community
 service hours.

As a result of these meetings, including San Bruno community guidance as to specific locations

1 and events in which PG&E's service was desired, a community service plan was developed. The process
2 was designed to ensure that PG&E completes its community service in a manner that addresses the needs
3 that San Bruno itself has prioritized, while also taking advantage of PG&E employees' skills and talents.
4 Overall, PG&E's service strategy is focused on revitalizing schools and neighborhoods, with volunteer
5 opportunities including San Bruno school transformation projects, local revitalization efforts, and skill-
6 based tutoring and professional mentorship. Over the last several months, PG&E has continued its
7 engagement with City and school leadership in San Bruno, which has resulted in newly identified
8 opportunities to provide direct business consulting services to the San Bruno Park School District and the
9 City of San Bruno. Additional detail about PG&E's planning and the community service approach can
10 be found in PG&E's July 31, 2017 filing. ECF No. 936.

11 After completing the planning phase and a test-run event in May,¹ PG&E began executing on the
12 community service program in mid-July 2017. As more fully detailed below, in the ten weeks since the
13 program was launched, PG&E has completed 914.50 hours of community service, with 319.25 having
14 been completed by high-level personnel. In July and August, PG&E averaged approximately 350
15 community service hours per month. Before each community service initiative, PG&E provides the
16 Probation Office with detailed information on the initiative, allowing for substantive feedback in advance
17 of the planned service, in accordance with the conditions of probation.

18 *i. Completed Service Projects*

19 For completed community service initiatives, PG&E sends the Probation Office a detailed
20 summary after each project is concluded. These post-project summaries include, among other things, the
21 details on the specific accomplishments completed during the project, a list identifying each participating
22 employee, and how many service hours he or she individually completed.

23 As previously described in the July 31, 2017 filing, on July 18, 2017, PG&E completed a service
24 project at Allen Elementary School in San Bruno in partnership with the San Bruno Park Unified School
25 District. Overall, 72 PG&E employees completed 335.75 service hours, with 39 of these being high-

26 _____
27 ¹ PG&E's first community service project undertaken pursuant to the conditions of probation took place
28 on May 6, 2017, and 27 service hours were completed. The activities included several revitalization
projects that were completed around the City of San Bruno.

1 level PG&E personnel who contributed 182.25 hours.

2 On August 1, 2017, PG&E undertook a second service project with the San Bruno Park Unified
3 School District at Allen Elementary School. During this project, 72 additional service hours were
4 completed by 21 PG&E employees, one of which was a high-level officer. On August 15, 2017, again in
5 partnership with the San Bruno Park Unified School District, PG&E completed a project at Belle Air
6 Elementary School in which 39 PG&E employees participated, completing 155 service hours; of these,
7 five were high-level personnel, completing 19.75 hours. Projects included creating murals, painting,
8 sanding, and overall clean-up to make the school safer and healthier for students.

9 On August 24, 2017, PG&E partnered with the Society of St. Vincent de Paul of San Mateo
10 County for a project at St. Vincent de Paul Thrift Shop. Fifty PG&E employees participated in this
11 initiative and completed 145 hours of service; of these, there were 15 high-level personnel who
12 completed 45.5 service hours. Enhancements and improvements to St. Vincent de Paul Thrift Shop were
13 based on needs identified by the City of San Bruno and the Society of St. Vincent de Paul of San Mateo
14 County, and included processing donated items, organizing departments, and ensuring items are easily
15 accessible for community members who require the services of the thrift shop.

16 On September 13, 2017, PG&E worked with City Trees on a community improvement and
17 enhancement project at Redwood Shores. Fourteen PG&E employees participated, for a total of 27.75
18 service hours. Six of these employees were high-level personnel, and they completed 12.50 service
19 hours. During this event, PG&E personnel planted trees based on the needs identified by City Trees.

20 On September 19, 2017, PG&E completed a community improvement service project with
21 Collective Roots and the Girls Club of Mid-Peninsula. This project included building planter boxes,
22 making needed repairs, and cleaning areas at the Girls Club. Twenty-five PG&E employees participated,
23 of which eight were high-level personnel. Overall, 69.75 service hours were completed, of which 23.50
24 were completed by high-level personnel.

25 On September 25, 2017, PG&E completed a service initiative with San Mateo Police Activities
26 League. PG&E employees helped the League coordinate a golf tournament fundraiser. Twenty PG&E
27 employees participated, of which six were high-level personnel. A total of 82.25 service hours were
28

completed during the project, with 25.75 being completed by high-level personnel.

ii. Additional Planned Service Projects in 2017

PG&E is currently in the process of planning and executing approximately ten additional community service initiatives during the remainder of 2017. Projects in the planning phase include additional school projects, park restoration efforts, and collaborating with several area organizations, including Marine Science Institute, Art in Action, area Boys & Girls Clubs, and the Ecumenical Hunger Program. During these and other projects, PG&E plans to introduce middle schoolers to career pathways (especially STEM-based careers) and discuss experiences in the workplace with youth, install gardens, assist with community closet and food closet donations, and prepare classroom art materials. As always, PG&E will share its plan for each event with the Probation Office in advance of the event, and will provide a detailed summary after each project is completed.²

III. Update on Special Condition of Probation 2: Compliance with Third-Party Monitor

Since his appointment, PG&E has been working with the third-party Monitor and his team, which includes several subject matter experts that the Monitor has hired to aid in his review. As noted in the July 31, 2017 filing, over the course of the Spring and Summer, PG&E developed a robust working relationship with the Monitor's team, and, since April 2017, PG&E and the Monitor's team have held weekly update calls or meetings.

As part of this process, PG&E has hosted the Monitor's team in over 60 informational sessions, and produced nearly 5,000 files to the Monitor for review. PG&E has also facilitated the Monitor team's attendance at many key internal meetings, including the senior vice president and vice president-level strategic planning sessions, Compliance and Ethics Leadership Team and Liaisons meetings, Risk & Compliance Committee meetings, Daily Gas Operations calls, and various all-employee sessions. Recently, PG&E supported multiple Monitor field and site visits, including strength testing and leak surveys. Additional site and field visits are scheduled; in particular, the Monitor's team will tour the new

² Regarding hurricane relief efforts, PG&E and other U.S. utilities are monitoring communication and potential requests for assistance from the local utility in Puerto Rico through a national umbrella coordinating organization. PG&E does not seek community service hour credits for its hurricane relief efforts.

Gas Safety Academy at Winters, California on September 27, 2017, and the Gas Innovation Center at Dublin on September 28, 2017.

Respectfully submitted,

Dated: September 26, 2017

JENNER & BLOCK LLP

By: /s/
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